PRESERVED

App. F. IX-4

1933.
(G.7.)

File No. 66-33

Serial Nos. 1-7.

Previous References
G- 257-15 (1-3)
" 96-22 (1-2)
" 233-27 (1-2)
" 48-26 (1-3)
" 116-26 (1-2)
Later References. G.7-208-34(1-2)
" 11 247-35-(1-2)
G 7(86-41 Ms 164.

Preserved

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Seven

Part B for May 34

SUBJECT.

Reconstruction rate of interest from 4½% to 4% per annum in respect of allocations to the State Insurance Fund

Con 8(7) Con H 6907-8/9 1st May 34

WD 01965—GPB—15,000—7-7-34

To the Comptroller
& Secy re S.L.I. Commissioner

Sanctions the proposal

Con 8.

G. R. S. APP F.III—1] 1933. 754

GENERAL AND REVENUE SECRETARIAT.

(J.J.)

NOTES.

File No. 643

FILE HEADING.

Reduction of rate of interest on the Insurance Fund Balance from 1.7.33.

FROM

The Comptroller.

No. 608/Bks Dated 21.7.33. Received 25.7.33.

Diary No. 315	Enclos. - Spare copies -	Serial No. 1

BRIEF ABSTRACT OF LETTER.

Proposes that the rate of interest on the Insurance Fund Balance may with effect from 1.7.33 be fixed at a uniform rate of 3 1/2 % intermediate between the rate of interest on current deposits viz 3 1/8 % & 5 years deposits viz 4%.

NOTES AND ORDERS.

The rate of interest allowed on the Insurance Fund Balance is generally the same as that allowed on the Savings Bank Deposits. (Please see para 59 of the note of File No: J.7 (16.26 Pt. I)).

As the rate of interest on Savings Bank

P.T.O.

NOTES—First Sheet.

[App. F. III—2

General and Revenue Secretariat

File No. 64 F 318 of 1933.

Serial No.

E
C
O

DEWAN'S OFFICE
29. JUL 1933

1 Reference is requested to the Secy's note against Insurance Fund, Dewan's minute & to the Submission Note, item (4) in G.A. file No 98-32-3. The decision has been taken that no change is called for in the rates allowed on the Insurance Fund Balances for the present.

2 May the Comptr be informed accy? Conditions of money market have not changed & justify any modification of a decision taken in December 1932.

Submitted with a draft.
27/6.

3 For perusal before issue
H Secy) 28/7/33.

AD 28/7/33

4 Dewan)

28/7/33

5 (illegible)
29/7/33

6 31.7.33.

2) No 24704 of 27/6/33 to Comptr. Comptr states in his for the present no change is called for in the existing rate of interest

TYPING SECTION
1. AUG. 1933
GEN'L & REV'E

Note.—Contn. Sheet.

3/8

WD 70—GBPM—60,000—13-8-31

3 Rate of Interest on the Insurance Fund Balance

File No. 64 of 1933	General and Revenue Secretariat

No 249/ Books of 16.8.33 from the Comptr re suggestion for Reasons explained a Reduction in the rate of 4½ % interest now allowed on the Insurance Funds Balances.

Reference Paras 1 to 5 above

A perusal of the Hl Secy's note and the Submission note to H.E. on H.E. file No 98-32-3 would seem to suggest that all the points now urged by the Comptr for a revision of the decision were duly reviewed before taking the decision.

Comptr's arguments.

5% was reduced to 4½% on the basis of the rate then allowed on Post Office Savings Bank deposits: — This is true. But the S.B rate has never been the sole determining factor. It was but one of several considerations.

from 1927 the rate of 4½% is too high for the present rates. — The Submission Note of H.E. stating that 4½% is not unreasonable even now for a long term loan, meets this argument.

No Insurance Co can get this rate for all times — The amount of reversionary bonus allowed is the sample of a Company's profit leaving alone other Companies, the Postal Institutions, Bangalore, the Oriental Co.

Rates of interest on the Insurance fund Bonuses

General and Revenue Secretariat | File No. 64 of 1933.

Serial No.

has been declaring a bonus of Rs. 20/- on each thousand rupees policies under the Endowment Scheme & Rs. 25 under the Whole Life Scheme. This works to 2 /- & 2½ /- respectively. While the maximum bonus that our Scheme has so far given is 1½ /- for Bombay & 1¾ /- for the Punjabi Branch. The Oriental Co gives so much bonus, after fully satisfying first its shareholders. The profit must therefore reach a high figure & suggest the magnitude of their investment operations

Contd

This bonus scheme ~~is~~ was devised in a position of financial ease at the expense of general Revenues which the Ins. Fund gives us much more than a good bye. It helps the financing of Capital requirements & this ways & means & saves or much of interest which would be payable otherwise. Besides a long term loan on the policies be had for less than 4½ /- as already decided. It has also to be remembered

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-31

5 Rate of Interest on the Insurance Fund Balances.

File No. 64 678/H of 1933 | General and Revenue Secretariat

that the Fund remains with Govt. at all times, even at times when it could find better investments in other directions. When the Money Market is unduly tight, we may not allow a proportionate rate of interest. Hence as against the 'unusual case' there is the compensating unusual sense of security of a long term loan at a comparatively cheap rate of interest.

For these reasons, the Comptr's proposal is not tenable. If any direction is however called for, the Fin. Committee has to be consulted.

Submitted for orders.

H Secy) 23/8/33

PTO

Serial No.

10. The main gist of the argument in the Comptroller's letter is that the Policy holders will benefit as the result of the interest rate being so high as 4½ p.c. when the Call money & S.B. Deposit ~~earns~~ is permitted to earn only 3 1/8 p.c. The Comptroller also notes that the rate of 4½ p.c. allowed corresponds to the rate allowed in 1927 on full year deposits corresponding to which these deposits are being received at present under the easy money conditions prevailing. There are however a few considerations that will explain a distinction between the Insurance Fund balances and those held under S.B. Current Deposits.

11. In the first place, the balances of Insurance Fund are not liable to be called upon currently but only as required on maturity of policies with the result that the accruals to the Fund are with Govt. for a great large number of years and all the benefit that the Contingent Policy holders get will be the rated contingent benefit of the accrued bonus additions to be paid on the maturity of the policy and is not the immediate benefit of the kind that is credited to the S.B. Deposit holder who will have it at his call

12. In the 2nd place, it is too early yet to say that the present easy money conditions will continue for a number of years, say even two years, as there is nothing to prevent a revival of prices with a forcing up of the rate of interest in the next busy season after January '34

13. Third, the Receipts on account of premia for the Fund

NOTE—Contn. Sheet.

7 Reduction in the rate of interest on the Insurance Fund balances

G.7 File No. 64 678/11 of 1933 | General and Revenue Secretariat

are likely to be in excess of payments so long as the fund grows so that practically the benefit of long term investment with government is realized.

Lastly the reduction of rate of interest may affect the actuarial declaration of bonus when the fund is expanding and as a result the Corporation may not compete advantageously with private Companies operating in the State.

12. In the circumstances, reduction in the rate does not appear to be called for immediately.

13. However, if it is considered that such a reduction is feasible, it may be reduced by ½ p.c in respect of additions to fund after 1st July 1933 in the same manner as in the case of fresh investments by private Insurance Cos. (The present rate on Z-D. is 2½ p.c)

15. In considering this reduction also, the opinion of the Insurance Committee will be necessary.

The yield on the 4% Indian Securities (last investment) works to a figure slightly higher than 4.07.

25/8/33

Dewan)

D. No. 1541 26. AUG. 1933

25/8/33.

16. In view of recent Money Market Conditions 4½ p.c. is no doubt high. But it is not certain how long these conditions may continue. The case may be reconsidered six months hence.

26.8.33

25/8/33.

(Reduction) in the rate of interest on the Insurance fund balances [App. F. III—2

General and Revenue Secretariat

File No. 64 of 1933.

Serial No.

4 Letter No. 571 Books dated 3-11-33 from the Comptroller.

17. Reference para 16. The Comptroller states that the grounds for reducing the rate of interest on the Insurance fund balances have now become stronger on account of the reduction in the rates of interest on Savings Bank current and fixed deposits from 1-11-33 and also the issue of a long term conversion loan at four per cent interest.

7-11-33

H Seey) 8/7.11.33.

18.

Since ~~the~~ the date of the order passed by the Hon'ble Dewan on 26.8.33, Govt have floated a conversion loan at 4 p.c. and even the Sterling loan of the Govt of India floated at 3½ p.c. for a long term at 97 points in England & the possibility of easy money conditions for a long time. I would therefore suggest that in the case of additions after 1st July 33, the rate of interest may be reduced to 4%* which is the present rate for long term loans. ~~The~~ (Vide also para 14 of the notes.

(2nd Member) 9.11.33

Dewan 8/9.11.33.

19. I'd like to discuss this with the Hon'ble Rev. Mr this week. Put up.

H.P.M. 12/11

* (i.e. a reduction of ½ p.c. of the present rate)

Secretariat Council

No. 2919

NOTE—Contn. Sheet.

DEWAN'S OFFICE
31.93.
NOV. 1933

I discussed with the Fl Sec[y] & generally agree with him The Insurance fund is permanently invested in Govt & the rate of int. applicable to call money cannot be applied to such funds. Moreover Govt insurance has to compete largely with private Co[s] whose investments are generally held in long-dated & remunerative investments. I think (as stated by the Fl. Sec[y]) there is no strong case & reducing it below 4 1/- for accretion after 1st July 33. The off[g] Dewan was agst any reduction at present

A

21 The Insce Com[r] may be consulted first & then the matter may be discussed in C[l] & Dewan approves

J/22
15/11

Dewan)

16/11/33.

22/ JM
17-11-33

20/11/33.

23
It is presumed that the Commissioner

Interest on the Insurance Fund Balance

1(25)/37 2816/H

General and Revenue Secretariat | File No. 64 of 1933. | [App. F. III—2

Serial No.

has to be Consulted on the proposal contained in the Minutes at A above and not on the Comptroller's proposal in P.2d.

Draft Portap.

For approval.

H 21/XI — H Secy) 21.11.33.

25 Issue as revised

23.11.33

Secy L.G.C.

5 To the ~~Comptr. to Govt~~ 23/11/33.

H 2916 of 27.11.33.

Forwarding copies of letters requesting to obtain & forward the opinion of the Committee in the matter

27/XI

6 No 16147 of 26.2.34 from the Secy, Insurance Committee forwarding the resolution of the Committee (majority) stating that the rate of interest may be reduced from 4½ to 4% on accretions to the fund subsequent to 30-7-33 leaving the rate for the balance on 30.6.33 unchanged, this question being reconsidered when conditions are improved.

Reference Para 21.

May now be sent to the Council Secretariat.

5/3 Comptr proposal. H Secy proposal. Insurance Committee's proposal

3½% uniformly — 4% on additions to fund from 1.7.33. — 4% on additions from 1.7.33

H Secy) 7.3.34.

NOTE—Contn. Sheet.

WD 0434—GPB—15,000—12-10-33

The Committee's proposal seems fair and may be accepted. Though the correct

2816/F

237

File No. of 193

General and Revenue Secretariat

Serial No.

have wch assistance for some time longer before changing this in best way. The reduction in the rate will result in a small saving to Govt under interest charges of about ½% on the annual accretions to the fund of 6 or 7 lakhs - i.e. about 3 or 4 thousand rupees.

Reference para 21 ante.

7.3.34

Chart with Compliments

C in C

Rg

7/3/34

Action by the Clerk of the Legislature if it

5

(For Disposal at a Meeting) No. C. 233

of 1933/4.

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

Subject

(clause xii of the schedule)

Question of reducing the rate of interest from 4½ per cent to 4 per cent in respect of accretions to the Insurance Fund.

Circulated to the Members of Council.

By Order,

R. Rainsford

10th March 1934. *Chief Secretary to Government.*

6977/10.3.34 **First Member of Council.**

5-829/10? **Second Member of Council.**

Extract from the Proceedings of the 914th *Meeting of the Council of His Highness the Maharaja, held at Bangalore on the* 10th April 1934. *19*

34. Subject. - Clause xii of the Schedule.

Question of reducing the rate of interest in respect of accretions to the Insurance Fund from 4½ per cent to 4 per cent.

OPINION OF THE COUNCIL.

The proposal of the Insurance Committee contained in their letter No. 16147 dated 26th February 1934 reducing the rate of interest from 4½ to 4 per cent on accretions subsequent to 1st July 1933 may be approved.

Sd/- MIRZA M. ISMAIL,
DEWAN OF MYSORE.

Financial Secretary to Govt.,
with compliments.

RB
11/4/34
11.4.34.

"EXTRACT"

R. Ranga Rao

Chief Secretary to Government.

WD 1471—GPB—2,000—1-3-21

Serial No.

Subd. with a D.J. N.

NW 12/4

Newman)

N 12/4

Nm 15/4

NOTE—Contn. Sheet.

WD 01536—GPB—7,500—5-4-34

Submitted to His Highness.

These papers relate to the question of reduction in the rate of interest in respect of accretions to the Insurance Fund.

A At present the rates of interest on the balances at credit of the Mysore State Life Insurance Fund are 3½ % on the balance outstanding on 1st July 1917 and 4½ % on subsequent additions thereto.

B. The Comptroller in his communication dated 21st July 1933 suggested, in view of the reduction in the rate of interest on Savings Bank current and fixed deposits, the fixing of a uniform rate of 3½ % on the Insurance Fund balance. It was however considered then that no change was necessary. But the Comptroller again urged the point and on his proposal as also on an alternative proposal of Government to reduce the rate of interest on the accretions to the Fund after 1st July 1933 from 4½ to 4 % leaving the rate of interest on the balance on 30th June 1933 unchanged, the opinion of the Insurance Committee was called for.

Para 4b of Office Notes (Page 7).

C

D. The Insurance Committee in their meeting of 10th February 1934 accepted the alternative proposal. This was considered at the Council meeting held on 10th April 1934 and it was resolved that the proposal of the Insurance Committee reducing the rate of interest from 4½ to 4 % on accretions subsequent to 1st July 1933 may be approved.

E.

I solicit His Highness's gracious approval to this.

Mysore,
15th April 1934.

Mirza M. Ismail
DEWAN.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Reduction of rate of interest in respect of accretions to the Insurance Fund.

C. Secy
21-4-34

No. 537

Order.

~~KRW~~
19/4/34

Ra
23/4

General and Revenue
Secretariat

Reduction of rate of interest in respect of accretions to the State Insurance Fund.

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Head-quarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders.* (*Vide Rules* 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

R. Rangachari

Chief Secretary to Government.

Through the Secretary to Government,

Fin Department.

8353
24/4

FIRST MEMBER OF COUNCIL.

6897
26/4

SECOND MEMBER OF COUNCIL.

JPR
23/4

Financial Secretary,
With Compliments

RR
27/4.

NOTE.—Contn. sheet.

Serial No.

Submitted with a draft G.O. for orders

MPW 28/4.

For orders in the last Sentence of the draft re Date of effect ~~to be made in accordance~~.

Fl Secy) 28/4/34.

Date may be from 1/5/34 — Fl 28/4

28/4/34.

Fl 6907-8 of 1/5/34

7 1. The Comptroller — Secy Lt-G.

Fl 6907-8 of 1/5/34

Approves of the resolution of the Committee which will take effect from 1.5.34

B

NOTE—Contn. Sheet.

WD 01536—GPB—7,500—5-4-34

Cir 64-33-

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT
OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. Books. 108.

Bangalore, dated 21st July *1933.*

From

M. VENKATESA IYENGAR, Esq., M.A.,
Comptroller to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

To

A. N. Raghavachar Esq., M.A.,
Financial Secretary to the
Government of Mysore,
Bangalore.

Sir,

I have the honor to state that, in accordance with Government Order No. Fl.7776-7/G.F.118-26-2 dated 8th April 1927, two rates of interest are at present allowed on the balances at credit of the Mysore State Life Insurance Fund, viz., 3½% on the balance that was outstanding on 1st July 1917 and 4½% on subsequent additions thereto. In fixing the latter rate the rate of interest on Savings Bank Deposits for whole years which was then in force seems to have been kept in mind. Interest rates have since fallen and the rate of 4½% allowed in respect of balances since 1917 is now too high and requires revision. Government have with effect from 1st July 1933 reduced the rate of interest on five years Fixed Deposits to 4% and there is no special rate for single year deposits. It would therefore appear that the rate of interest on the Insurance Fund Balance may with effect from 1st July 1933 be fixed at a uniform rate of 3½% intermediate between the rate of interest on current deposits viz. 3½% and five years deposits viz., 4%. I request that orders of Government be obtained on this proposal.

I have the honor to be,
Sir,
Your most obedient servant,

M. Venkatesa Iyengar
Comptroller.

SAM)

Appendix F G—1]

SUBJECT.....

.....

.....

Section C.7

File No. 64-33

Serial No. 2.

Diary No. of letter replied to.....

No. FL 704

To The Compt.

Sir,

I am to refer to your letter No 108/Books of the 21st instant in the matter of correction of the rate of interest allowed on the Insurance Fund Balance, and to state that Govt. do not consider it necessary for the present to change the existing rate.

I am, Sir,
Your obedient servant,

General and Revenue Secretariat

( )

the *193*

Date of issue..... 2/8/33

Signed by.....

List of enclosures.....

Copied by.....

Examined by.....

2817/33.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore, 1st August 1933.

No. Fl 704

From G-7 64.33-2

The *Financial Secretary to the Government of His Highness the Maharaja of Mysore.*

To

The Comptroller to Government,
Bangalore.

Sir,

With reference to your letter No. 108/Books of the 21st ~~instant~~ July 1933 in the matter of reduction of the rates of interest allowed on the Insurance Fund Balance, I am directed to state that Government do not consider it necessary for the present to change the existing rates.

I have the honor to be,
Sir,
Your most obedient servant,

M. Shamanna

For Financial Secretary to Government.

TRM.2

G.F. 64-33-3

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT
OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. 249/Books

Bangalore, dated 16th August 1933.

678.
22 AUG. 1933

From

M. VENKATESA IYENGAR, Esq., M.A.,
Comptroller to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

To

FINANCIAL SECRETARIAT
13 AUG. 1933
No.

A. N. Raghavachar, Esqr., M.A.,
Financial Secretary to Government,
Bangalore.

Sir,

With reference to your letter No. Fl. 704/G.F 64-33-2 dated 1st August 1933 conveying the orders of Government that it is not necessary for the present to change the existing rates of interest allowed on the Insurance fund balances, I have the honour to state that the rate of interest allowed on additions to the fund subsequent to 1st July 1917 was last reduced from 5 to 4½% in 1927. This reduction was effected on the basis of the rate then allowed on full year Savings Bank Deposits. The rate now allowed on full year deposits is only 3 1/8 % which is also the rate on current deposits. The rate of 4½% fixed in relation to the full year rate of 1927 is too high considering the present rates. No Insurance Company would be able to invest all its balances however large so as to earn this rate of interest for always without risk of depreciation of security. The State Insurance Fund is thus placed in a position of unusual ease by what in effect is a charge on the general revenues. There might be no objection to this course if the profits of the Insurance scheme in the Public as well as the Official Branch were fully appropriated by Government. This is not done. Profits are distributed to policy holders in both branches in the form of additional bonuses and in regard to the Public Branch Government have stated (Vide para 24 of the rules for the Mysore State Life Insurance (Public Branch)) that they do not wish to take the profit. The result is that part of the higher income of the Fund derived at the expense of the revenues goes to the Policy

p t o

Policy Holder. As this does not seem to be intended, I request that the proposal made in my letter No. 108/Books dated 21-7-1933 be placed again before Government for further orders, if any.

I have the honour to be,
Sir,
your most obedient servant,

M. Venkatesalyengar

CSS

Comptroller.

G.F 64-33-4

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

1487

Comptroller's Office, Bangalore,

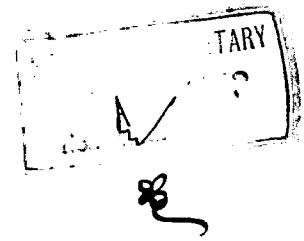
No. 571/Books

Dated the 3rd November 1933 1932.

To

The Financial Secretary to Government, of Mysore,

Bangalore.



Sir,

I have the honor to invite kind reference to my letter No. 249/Books dated 16-8-33 regarding the rate of interest on balances at credit of the State Life Insurance Fund, and to request that orders of Government may be communicated in the matter.

The grounds for reducing the rate of interest on fund balances have now become stronger on account of the reduction in the rates of interest on Savings Bank current and Fixed Deposits from 1-11-33 and also the issue of a long

of a long term conversion loan at 4 per cent interest.

I have the honor to be,

Sir,

Your most obedient servant,

M. Venkatesalyengar

KVN/-

Comptroller.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. F 29/6 (4) F.S. 64.33.5

Dated, Bangalore, 25th Novr. 193 3. 27

From

The Financial Secretary to the Government of His Highness the Maharaja of Mysore.

To

The Secretary,
Mysore State Life Insurance Committee,
Bangalore.

I am directed to send herewith copies of the Comptroller's letters Nos. Books 108 and 571/249 dated 21st July, 16th August and 3rd November 1933 respectively in regard to the reduction in the rate of interest allowed on the Insurance Fund and to request you to obtain and forward the opinion of your Committee on this subject. The opinion of the Committee on an alternative proposal to reduce the rate on the accretions to the Fund after 1st July 1933 from 4½ to 4 percentum leaving the rate for the balance on 30th June 1933 unchanged may also be forwarded.

I have the honour to be,

Sir,

Your most obedient servant,

for Shamanna

For Financial Secretary to Government.

TSS.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. F 2916 (4) G.F. 64.33.5

Dated, Bangalore, 25th Novr. 1933.

From

The Financial Secretary to the Government of His Highness the Maharaja of Mysore.

To

The Secretary,
Mysore State Life Insurance Committee,
B a n g a l o r e.

I am directed to send herewith copies of the Comptroller's letters Nos. Books 108 and 571 dated 21st July, 16th August and 3rd November 1933 respectively in regard to the reduction in the rate of interest allowed on the Insurance Fund and to request you to obtain and forward the opinion of your Committee on this subject. The opinion of the Committee on an alternative proposal to reduce the rate on the accretions to the Fund after 1st July 1933 from 4½ to 4 percentum leaving the rate for the balance on 30th June 1933 unchanged may also be forwarded.

I have the honour to be,

Sir,

Your most obedient servant,

For Financial Secretary to Government.

TSS.

G 7 64-33-6

M. S. L. I.
O. 20.

MYSORE STATE LIFE INSURANCE OFFICE.

FIN... SECY
2 MAR. 1934
No.....

In reply please quote—
No. ....1647.....
Encl. .....1.....

BANGALORE,

Dated, the 26th February *193* 4

26

FROM

2816

M. VENKATESA IYENGAR, ESQ., M.A.,
Secretary, Mysore State Life Insurance Committee,
Bangalore.

To

S. SHAMANNA, Esq., B.A.,
Financial Secretary to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

SIR,

Adverting to your letter No.Fl.2916 (1) G.F.64-33-5 dated 27-11-33 regarding the reduction in the rate of interest allowed on the Insurance Fund, I have the honor to forward herewith for information a copy of resolution No.III passed by the Insurance Committee in their meeting held on the 10th February 1934.

I have the honor to be,

Sir,

Your most obedient servant,

G Keshava Rao
For Secretary,
Insurance Committee.

DS 26/2.

26/2

Insurance Committee.
Yor Secretary,

Your most obedient servant,

Sir,

I have the honor to be,

Committee in their meeting held on the 1 th February 1894.

Information & copy of resolution No.III passed by the Imp Insurance

on the Insurance Bldg, I have the honor to forward herewith for

7-11-93 regarding the reduction in the rate of interest allowed

Referring to your letter No.IF.2916 (1) G.F.64-93-3 dated

Secretary.
His Highness the Maharaja of Mysore,
Bangalore.

Copy of resolution No.III passed at the meeting of the Mysore State Life Insurance Committee held on 10th February 1934.

III. Letter No.Fi.2916/G.F.64-33-5 dated 25/27-11-33 from the Financial Secretary forwarding copies of Comptroller's letter No.3. Books. 108, 249 and 571 dated 21-7-33, 16-8-33 and 3-11-33 respectively and requesting the opinion of the Committee in regard to the reduction in the rate of interest allowed on the Insurance Fund and on an alternative proposal to reduce the rate on the accretions to the Fund after 1-7-33 from 4½% to 4%.

Resolved that the alternative suggested by Government viz., reduction of interest from 4½% to 4% on accretions subsequent to 1-7-33, leaving the rate for the balance on 30-6-33 unchanged be approved, the question being reconsidered when conditions improve.

Mr. Belur Sreenivasa Iyengar, a Member for the Public Branch was opposed to this reduction and thought that the existing rate may be continued.

------ -:0:-------

Mahmud Sahib

For Assistant Secretary,
Insurance Committee.

DS

27/10/34

G. R. S. App. F VI—G 2]

SUBJECT.....

.....

.....

Section 4.7.

File No. 64.33.

Serial No. 7

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *193*

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue..... 1/5/ 1934

Signed by..... Mr Mss A

Read— Go No 72. 7776-7 | S/7 116-26-2 dt 8-4-27 directing that the rate of interest on the balances at credit of the Mysore State Life Insurance Fund be 3½ per cent p.a on the balances outstanding on 1-7-1926 and 4½ percent per annum on subsequent additions thereto.

Order thereon.—No

2 correspondence ending with letter No. 16147-A 26-2-34 from the Secy M.S.L.I. Committee forwarding a copy of the resolution passed by the committee agreing to the reduction of the rate of interest from 4½% to 4% p.a. on

May this be—

(i) printed ?

(ii) treated as a standing order ?

(iii) published in the Gazette, English part ?

(iv) translated ?

(v) placed at the disposal of the press ?

(vi) published in the Gazette, kannada part ?

accretions subsequent to
1st July 1933 leaving the rate
of interest for the balance
on 30th June 1933 unchanged

Order no - H 6907-8

The resolution of the
Insurance committee is
approved

This resolution will take effect
from 1.5.34

M
2874
Sd Fa Secretary to Govt
28/4/34.

D

List of Enclosure

The Comptroller to Govt
The Secy M.S.L.I. Committee

MD W
28/4.

Copied by [illegible] 1/5/34

Examined by

WD 0254—GPB—10,000—22-8-32

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

Read:-

Government Order No.Fl.7776-7/G.F.116-26-2 dated 8th April 1927 directing that the rate of interest on the balances at credit of the Mysore State Life Insurance Fund be 3½ per cent per annum on the balances outstanding on 1st July 1917 and 4½ per cent per annum on subsequent additions thereto.

2. Correspondence ending with letter No.16147 dated 26th February 1934 from the Secretary, Mysore State Life Insurance Committee forwarding copy of a resolution passed by the Committee agreeing to the reduction of the rate of interest from 4½% to 4% per annum on accretions subsequent to 1st July 1933 leaving the rate of interest for the balance on 30th June 1933 unchanged.

Order No. Fl 69-78 G.F. 64-33-7

Dated Bangalore, the 1st May 1934.

The resolution of the Insurance Committee is approved.

This resolution will take effect from 1st May 1934.

M Shamanna

for Financial Secretary to Government.

To

The Comptroller to Government.

The Secretary, Mysore State Life Insurance Committee.

B.K.N.3.

S. O.

Government of his highness the Maharaja of Mysore.

FINANCIAL DEPARTMENT.

G. O. No. Fl. 6889-948—G. F. 156-32-8, dated 28th June 1933.

Savings Bank Fixed Deposits.

Sanctions the revival of the scheme of accepting —— for five years at four per cent per annum.

READ—

Government Order No. Fl. 5520-80—G. F. 85-27-5, dated the 11th January 1928, directing that interest at five per cent per annum, be allowed on amounts deposited in the Government Savings Banks with declarations by depositors that they will not be withdrawn for a period of five years from date of deposit.

2. Government Order No. Fl. 3990-4050—G. F. 123-32-2, dated 20th January 1933, directing that the rate of interest on five-year deposits in the Government Savings Banks accepted thereafter, be reduced from five per cent per annum to four and a half per cent per annum.

3. Government Order No. Fl. 5887-946—G. F. 156-32-6, dated 5th May 1933, directing that the scheme of accepting fixed deposits in the Government Savings Banks for five years at four and a half per cent interest per annum, be suspended until further orders.

ORDER NO. FL. 6889-948—G. F. 156-32-8, DATED BANGALORE, THE 28TH JUNE 1933.

Government direct that the scheme of accepting fixed deposits in the Government Savings Banks for five years, be revived with the modification that the rate of interest on these deposits which are accepted in future, will be reduced from four and a half per cent per annum to four per cent per annum.

S. SHAMANNA,
Secretary to Government,
Financial Department.

To—The Comptroller to Government of Mysore.
The other Heads of Departments.
The Deputy Commissioners of Districts.
The Secretaries to Government.
The Compiler, *Mysore Gazette.*

Exd.—C. K.

WD 2501—GPB—775—3-7-33.